

apply to different types of nonprofit organizations. The same rules govern all under UPMIFA.

WBA does have some recommended changes and we would ask that the bill be amended with the following changes:

1. Delete section 112.11(2)(e)2. - "A fund held for an institution by a trustee that is not an institution." Wisconsin corporate trustees desire to have this law apply in the event they are acting as trustee of an Institutional fund.

2. Increase the dollar limit in 112(6)(d)(1) to \$100,000.

A number of other states have increased the \$25,000 limit in the bill. Virginia increased the limit to \$250,000. Wisconsin corporate trustees believe a fund becomes uneconomical to administer if the balance drops below \$100,000.

3. Add a section to the bill that also revises Wisconsin statute section 615.10(5), regarding investments of a charitable gift annuity reserve. While UPMIFA does not apply to charitable gift annuities (section 112.11(1)(e), 3. exempts funds in which a beneficiary that is not an institution has an interest,) the general purpose of this new law is to update the law on institutional charitable funds and adopt the prudent investor standard. Current Wisconsin law imposes a more restrictive investment standard on charitable gift annuities. Many Wisconsin charitable institutions offer charitable gift annuity programs, so it would make sense at this time to update the investment standards that apply to charitable gift annuities as well as all other charitable institution funds. The charitable gift annuity investment rules were last updated in 1975, before the most enactment of the Uniform Prudent Investor Act (NCCUSL promulgated the most version of the prudent investor act in 1994.) All states other than Arkansas, California, and Florida apply the prudent investor standard to charitable gift annuities. WBA recommends the following section be added to Senate Bill 31: Revise section 615.10(5) to read as follows: "(5) Investments. Assets of a segregated account under this section shall be invested in accordance with chapter 881."

The Wisconsin Bankers Association respectfully asks for your consideration to these changes.

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